



Maryland
Hospital Association

February 17, 2021

To: The Honorable Guy Guzzone, Chair, Senate Budget & Taxation Committee

Re: Letter of Support- Senate Bill 563- Local Health Departments - Funding

Dear Chair Guzzone:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 563. The COVID-19 pandemic highlighted the need for the nation to rethink investments in our public health infrastructure, which has been chronically underfunded. Nationally, public health spending has fallen as proportion of total health spending since approximately 2000 and in inflation-adjusted terms since the Great Recession.¹

Maryland is not unique in its budget gamble, which included cutting the Core Funding Formula for local health departments during the tough economic times of the early 2000s. This funding never rebounded, and the consequences are coming to fruition at perhaps the worst possible time—a once-in-century pandemic. Hospitals and health systems are increasingly partnering with local health departments to support chronic disease management and populational health improvement, but the function of a local health department goes well beyond these endeavors.

SB 563 is a first step to ensure local health departments are properly resourced. Yet, the funding formulas, which were developed in the 1990s, do not account for the changing role of technology in public health, the growing threat of environmental disasters that affect Marylanders' health, and the potential rise of new viruses and other pathogens, like COVID-19. The core capabilities of a robust public health system are vital to respond to public health emergencies – be it COVID-19, substance use disorder or systemic racism and health equity. Local health departments cannot take on the challenges of tomorrow with the funding levels of the past.

For these reasons, we urge a favorable report on SB 563.

For more information, please contact:
Erin Dorrien, Director, Government Affairs & Policy
Edorrien@mhaonline.org

¹ National Center for Health Statistics. National Health Care Spending In 2016. 2017; cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/NHE-Presentation-Slides.pdf